Hundred percent FDI in tourism

1956. SHRI NANA DESHMUKH: WiU the Minister of TOURISM AND CULTURE be pleased to state:

(a) whether Government have opened up the skies and agreed to 100 percent Foreign Direct Investment in tourism;

(b) whether the capital would host the 51st Pacific Asia Travel Association conference next year; and

(c) if so, to what extent these steps are likely to boost the tourism prospects in India?

THE MINISTER OF TOURISM AND CULTURE (SHRI ANANTH KUMAR): (a) Traffic right with respect of Civil Aviation is governed by the principle of reciprocity and bilateral agreements which is an internationally accepted practice followed the world over. Regarding Direct Foreign Investment in tourism, Government has decided to allow 100% FDI.

(b) Yes, Sir. The 51st Pacific Asia Travel Association (PATA) Annual Conference in April 2002 is scheduled to be held in Delhi.

(c) Hosting of the PATA Annual Conference is likely to give a boost to the tou-^m prospects in the country by showcasing the tourism attractions of India to the members of International Travel Industry who are expected to participate as delegates in the Conference.

Providing Status of an Industry to Indian Tourism

†1957. SHRI BRATIN SENGUPTA: Will the Minister of TOURISM AND CULTURE be pleased to state:

(a) whether Government had formulated any comprehensive policy to give status of industry to Indian tourism so as to mobilize the maximum financial resources in this sector;

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†Original notice of the Question was received in Hindi.

(b) if so, the progress made so far in this direction and the achievements during 2000-2001 thereon;

(c) whether Indian tourism sector on its own is not competent even now as compared to the world; and

(d) if so, whether any action plan has been formulated in this regard in order to attract the large number of middle class tourists?

THE MINISTER OF TOURISM AND CULTURE (SHRI ANANTH KUMAR): (a) At the request of Deptt. of Tourism, Government of India, 25 Statcs/UT Administrations have declared tourism as an industry and 3 States have declared hotel as an industry.

(b) Department of Tourism, Government of India acts as a facilitator and coordinator for the development and promotion of tourism in the country. During the year 2000 a growth of 6.4% was achieved in foreign tourist arrivals and 11.8% in terms of foreign exchange earnings over the previous years.

(c) Although India's share in World Tourist arrivals is only 0.4% Tourism Industry generates large scale employment opportunities both direct and indirect, through multiplier effect by involving almost all the service sectors.

(d) In order to attract middle class tourists, the following steps are taken:—

- •Promotion of ethnic traffic like PIO, NRIs specially from USA, Canada, South Africa and Mauritius.
- •Promotion of charters.
- •Indrail pass for economic travel on trains in India.
- •Discover India and Visit India Pass by Air India, Indian Airlines and private airlines for unlimited travel during the validity period of the pass.
- •Introduction of economical tour packages with foreign tour operators including special air fares.